



# Commonwealth of Massachusetts

## DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

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### WHAT IS URBAN RENEWAL UNDER M.G.L. CHAPTER 121B

#### 1. WHAT IS URBAN RENEWAL?

Certain cities and towns in the Commonwealth contain areas that are substandard, decadent or blighted open space (a predominately open area which is detrimental to the safety, health, morals or sound growth of a community and which is predominately open because it is unduly costly to develop it soundly through the ordinary operations of private enterprise). In an effort to revitalize these areas and encourage sound growth, the legislature developed an urban renewal program under Massachusetts General Laws Chapter 121B. Under C.121B, municipalities are authorized to develop blighted areas for residential, recreational, educational, hospital, business, commercial, industrial or other purposes. Future development within these designated urban renewal areas must be undertaken in accordance with use limitations specified in approved urban renewal plans.

M.G.L. Chapter 121B places great importance on the achievement of socio-economic development such as the provision of jobs for the unemployed, the addition of tax revenue to overburdened communities and/or the construction of space for the expansion or siting of industry or business. Urban renewal projects help municipalities revitalize deteriorated areas by providing the economic environment needed to attract and support the private investment needed to achieve a balanced mix of housing, business and industry. The Massachusetts Department of Housing and Community Development (DHCD) is charged with the responsibility for the operation and administration of the Urban Renewal Program as defined under C.121B.

#### 2. WHAT IS AN URBAN RENEWAL PLAN?

The Urban Renewal Plan is an application submitted by a municipality through its urban renewal agency to DHCD requesting its approval of a redevelopment project. The Urban Renewal Plan must include the following information as specified under Massachusetts Regulations 760 CMR 12.00:

- Maps of the project area;
- Data demonstrating that the area meets the eligibility criteria as a substandard, decadent or blighted open area;
- Project objectives including specifications of all proposed redevelopment and detailed job creation and retention estimates;
- A financial plan including cost estimates and a project budget;
- Local approvals;

- Site preparations including land protections and measures to address environmental or flood problems;
- Public improvements including how the improvements will help achieve the objectives of the plan;
- A relocation plan;
- Redeveloper's obligations (restrictions that are or will be placed on owners of individual parcels);
- Disposition for each parcel including any known redeveloper;
- A report on citizen participation describing meaningful citizen participation in the planning process and expected citizen participation during project execution.

## **2. HOW IS THE URBAN RENEWAL PLAN EVALUATED?**

In order to approve a proposed Urban Renewal Plan, DHCD must make the following six findings:

- (1) The project area would not, by private enterprise alone and without either government subsidy or the exercise of governmental powers, be made available for urban renewal -- i.e., without public involvement, the project/site would not be developed.
- (2) The proposed land uses and building requirements in the project area will afford maximum opportunity to privately financed urban renewal consistent with the needs of the locality as a whole -- i.e., the project will enhance/promote desired private investment.
- (3) The plan for financing the project is sound.
- (4) The project area is a decadent, substandard or blighted open area.
- (5) The urban renewal plan is complete as required under 760 CMR 12.00 (see #1 above).
- (6) The Relocation Plan is approved under M.G.L. c.79A.

When these findings have been made, DHCD will issue a letter of approval for project implementation. If the Urban Renewal Plan is not approved, it may be resubmitted with such modifications, supporting data, or arguments as are necessary to meet DHCD's written objections.

No urban renewal project may be undertaken until a public hearing relating to the urban renewal plan for the project has been held before the city council or the municipal officers of a town and approval is obtained by municipal officers and DHCD.

## **3. WHAT IS AN URBAN RENEWAL AGENCY?**

An urban renewal agency may be either the local redevelopment authority, the local housing authority in a city or town in which there is no redevelopment authority or the local housing authority when a redevelopment authority was formed after the housing authority had already implemented some urban renewal projects. The powers and liabilities of an urban renewal agency are similar to those of a housing authority. The urban renewal agency is required to prepare an urban renewal plan in order to begin the process of redeveloping and improving substandard, decadent or open blighted areas as well as to plan for future land use.

#### **4. WHAT IS A REDEVELOPMENT AUTHORITY?**

Most of the Redevelopment Authorities operating in Massachusetts were originally created to take advantage of the federal Urban Renewal Program, serving as vehicles for carrying out the federal mandate to eliminate blight from inner cities. Although the federal program no longer exists, Redevelopment Authorities continue to play a role in the Commonwealth's revitalization under C.121B.

M.G.L. Chapter 121B allows municipalities, through their Redevelopment Authorities acting as urban renewal agencies, to eliminate and redevelop substandard, decadent or blighted open areas for industrial, commercial, business, residential, recreational, educational, hospital or other purposes. With the goals of revitalizing such land uses and encouraging new growth, Redevelopment Authorities have the power to:

- Establish rehabilitation and design standards;
- Assemble and dispose of land, including the taking of real estate through eminent domain;
- Relocate businesses and residents occupying urban renewal sites;
- Demolish and/or rehabilitate substandard structures;
- Participate in real estate development and commercial revitalization;
- Issue bonds, borrow money and invest funds;
- Receive grants and loans;
- Accept gifts or requests.

Redevelopment Authorities are particularly effective in large scale and complex redevelopment projects and in land assembly. Redevelopment Authorities are exempt from M.G.L. Chapter 30(b), the Uniform Procurement Act, when they are engaged in the development and disposition of real property in accordance with an urban renewal plan. This exemption, coupled with the ability to use eminent domain powers, makes Redevelopment Authorities powerful tools for commercial revitalization, industrial park development, infrastructure improvements, facilities renovation and brownfield site remediation. *The development and approval of an urban renewal plan is necessary for a Redevelopment Authority to undertake specific projects.*

A Redevelopment Authority, as an independent body politic and corporate, is not an agency of a municipality and therefore, does not answer directly to the chief executive. This affords the Redevelopment Authority more autonomy in planning and implementing redevelopment and revitalization projects. A housing authority may undertake urban renewal projects if there is no Redevelopment Authority in the city or town.

#### **5. HOW IS A REDEVELOPMENT AUTHORITY FORMED?**

A Redevelopment Authority is an independent body politic and corporate, which is governed by an appointed five-member board. A municipality must first establish the need for a Redevelopment Authority through a vote by municipal officers or at town meeting. In a city, four members are appointed by the mayor or city manager and confirmed by the city council. In a town, four members are elected through town meeting and confirmed by the board of selectmen. The fifth member of the board, in both cities and towns, is appointed by DHCD. One member of the board must represent labor. Board member terms are staggered over five years. Following these steps, the Secretary of State will issue a certificate of organization.

**Related Links:**

Chapter 121B – Urban Renewal

<http://www.state.ma.us/legis/laws/mgl/gl-121B-toc.htm>

Urban Renewal Regulations/760 CMR 12.00

<http://www.state.ma.us/dhcd/regulations/760012.htm>

Chapter 79A – Relocation Assistance

<http://www.state.ma.us/legis/laws/mgl/gl%2D79a%2Dtoc.htm>

Relocation Assistance Regulations/760 CMR 27.00

<http://www.state.ma.us/dhcd/regulations/760027.htm>

Chapter 30B – Uniform Procurement Act

<http://www.state.ma.us/legis/laws/mgl/gl%2D30b%2Dtoc.htm>